

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1326-01  
Bill No.: SB 265  
Subject: Health Care; Health Care Professionals; Hospitals; Nursing and Boarding Homes  
Type: Original  
Date: March 13, 2015

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Bill Summary: This proposal extends the sunset on the intermediate care facility for the intellectually disabled reimbursement allowance tax to September 30, 2016.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
ICF/DD Provider Tax*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Revenues and expenditures of approximately \$7.2 million annually net to \$0.

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Federal*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Revenues and expenditures of approximately \$6.8 million annually net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

**Oversight** was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

In response to similar legislation from the current session, SB 167, officials from the **Department of Social Services (DSS)** stated the proposal will have no fiscal impact on their organization. The **DSS, Divisions of MO HealthNet (MHD)** and **Legal Services (DLS)** stated the proposed legislation grants a one-year extension for the Intermediate Care Facility for the Intellectually Disabled tax program.

The proposed legislation allows the MHD to collect approximately \$7.2 million in intermediate care facilities for the intellectually disabled tax, which will allow MHD to draw in federal funds of \$6.8 million in fiscal year 2016. The FY 2016 budget submitted by the Department of Mental Health assumed the intermediate care facilities for the developmentally disabled tax would continue through FY 2016. If this proposed legislation does not pass, additional General Revenue funds of \$7.2 million would be needed to continue the current level of services.

In response to SB 167, officials from the **Department of Mental Health (DMH)** stated this proposed legislation extends the sunset on certain health care provider reimbursement allowance taxes from 2015 to 2016. Included in this proposal is the extension for the provider assessment for ICF/DD (Intermediate Care Facilities for the Developmentally Disabled). The DMH assumes no fiscal impact should the sunset be extended to 2016. The provider assessment for ICF/DDs generates approximately \$6.8 million in revenue for the DMH.

**Oversight** notes that the Department of Social Services (DSS) is the contact Department that works with the Federal government on Medicaid programs. Therefore, Oversight will use DSS provider tax numbers for the ICF/DD provider tax program.

Also in response to SB 167, officials from the **Office of the Secretary of State (SOS)** stated many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than

ASSUMPTION (continued)

\$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Additionally, in response to SB 167, officials from the **Department of Revenue** assumed the proposal would not fiscally impact their agency.

Officials from the **Office of Administration - Division of Budget and Planning (B&P)** state this proposal will not impact Total State Revenue and the proposal will not impact the calculation under Article X, Section 18(e). The proposal extends the sunset on the intermediate care facility for the intellectually disabled reimbursement allowance tax to September 30, 2016.

Officials from the **Office of State Treasurer** assume the proposal would not fiscally impact their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (9 months)	FY 2017 (3 months)	FY 2018
<b>ICF/DD PROVIDER TAX</b> (§633.401)			
<u>Income</u> - DSS Assessment on Medicaid ICF/DD organizations	\$5,400,000	\$1,800,000	\$0
<u>Costs</u> - DSS Medicaid program costs	<u>(\$5,400,000)</u>	<u>(\$1,800,000)</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON ICF/DD PROVIDER TAX FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>FEDERAL FUNDS</b>			
<u>Income</u> - DSS Assessment on Medicaid ICF/DD organizations (§633.401)	\$5,100,000	\$1,700,000	\$0
<u>Costs</u> - DSS Medicaid program costs	<u>(\$5,100,000)</u>	<u>(\$1,700,000)</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2016 (9 months)	 FY 2017 (3 months)	 FY 2018
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

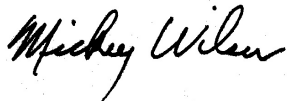
### FISCAL DESCRIPTION

This proposal extends the sunset from September 30, 2015, to September 30, 2016, for the Intermediate Care Facility for the Intellectually Disabled Reimbursement Allowance Tax.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

Department of Mental Health  
Department of Revenue  
Department of Social Services -  
    MO HealthNet Division  
    Division of Legal Services  
Office of Administration -  
    Division of Budget and Planning  
Office of Secretary of State  
Office of State Treasurer



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Director  
March 13, 2015

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